Gender Differences in Reactions to Enforcement Mechanisms: A Large-Scale Natural Field Experiment by Difang Huang (Hong Kong University)

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Overview of the paper

- A nudge experiment studying gender differences in responses to various enforcement mechanisms in their impact on overdue rate.

**Treatments:**

- **Baseline:** No reminder
- **Reminder:** A reminder message about the repayment due date
- **Norm:** A reminder message with a statement that they trust the borrower to repay on time as 95% of the borrowers repay on time.
- **Shame:** A reminder message with a statement that the borrower’s endorsers will be notified if the repayment is overdue
- **Reward:** A reminder message with a promise of 5% interest rate discount for future loans if the repayment is on time
- **Punishment:** A reminder message with a statement that 5% interest rate markup for future loans if the repayment is overdue
The high overdue rate for women in the baseline and similar overdue rates for men in the baseline, reminder and shame treatments.

Shame treatment may be stronger in Chinese culture and the gender difference in responsiveness to it may be more pronounced.

Is there any systematic gender difference in terms of risk behaviour of borrowers? The composition of the risk behaviour among men and women can explain the results further.

Is there any gender difference in the tendency to take loans from the platform? If men are regular borrowers (compared to women), the punishment would be more important for them.

Comments/ Questions